**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-24203-2022

Date of decision : 29.07.2025

Dr. B.S. Grewal

…….Petitioner

Versus

Industrial Finance Corporation of India Limited (IFCI) and another

...….Respondents

CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJIV BERRY

Present: Mr. R.S. Randhawa, Advocate,
Ms. Ravinder Kaur, Advocate, and
Ms. Tarannum Madan, Advocate,
for the petitioner.

Mr. Adarsh Jain, Advocate, and
Ms. Amandeep Kaur, Advocate,
for respondent No.1.

Mr. Samar Ahluwalia, Advocate (through video conferencing),
for Official Liquidator.

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SHEEL NAGU, CHIEF JUSTICE (Oral)

1. Learned counsel for the petitioner has not been able to satisfy this Court as to why alternative statutory remedy under Section 18 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (‘SARFAESI Act’, for brevity), to approach Debts Recovery Appellate Tribunal against the impugned order dated 22.09.2022 (Annexure P-1) passed by Debts Recovery Tribunal – II, Chandigarh, cannot be availed.

2. Learned counsel for respondent No.1, by referring to order dated 15.07.2022 (Annexure R-1), annexed to short reply dated 09.09.2024, points out that this Court in CA No. 117 of 2022 in CP No.7 of 1996, ***In the matter of Scandomax India Ltd. (in Liquidation)***, passed the following order :-

> *"As per the report of the Official Liquidator, in compliance with the order dated 16.05.2022, the proposed dissolution notice has been published in accordance with law, however, no objection has been received from any of the creditors, contributories, stake holders or the general public. In view thereof, the company is ordered to be dissolved.*
>
> *The Official Liquidator proposes to disburse the amount available with him in accordance with law.*
>
> *Keeping in view the aforesaid facts, let the Official Liquidator comply with the proposal made in para 2 and 6 of the application.*
>
> *Needless to observe that the cases pending before the Debt Recovery Tribunal or any other statutory agency or the Court shall not be adversely affected by the dissolution of the company."*

3. From the aforesaid, it is evident that the liquidation proceedings have come to an end, in view of the company in question having been dissolved and this Court having directed that proceedings before the Debts Recovery Tribunal shall not be adversely affected by dissolution of the company.

4. The Apex Court, time and again, has come down heavily on the High Courts exercising the power of judicial review in matters relating to SARFAESI Act, especially where alternative statutory remedy of approaching the DRT or DRAT is available. [see ***Phoenix Arc Private Limited Vs. Vishwa***

Bharati Vidya Mandir and others, (2022) 5 SCC 345; G. Vikram Kumar Vs. State Bank of Hyderabad and others, (2023) 14 SCC 159].

5. Accordingly, this Court, without entering into merits of the case, relegates the petitioner to avail the remedy under Section 18 of SARFAESI Act before DRAT, which if availed within a period of three weeks from today shall be entertained and decided without being dismissed on limitation alone. However, in view of the aforesaid direction by this Court vide order dated 15.07.2022, proceedings in OA No. 2642 of 2017 pending before the Debts Recovery Tribunal – II, Chandigarh, shall be taken up and decided on its own merits, and the stay granted by this Court on 20.10.2022 stands vacated.

(SHEEL NAGU)
CHIEF JUSTICE

(SANJIV BERRY)
JUDGE

July 29, 2025
narotam

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No